

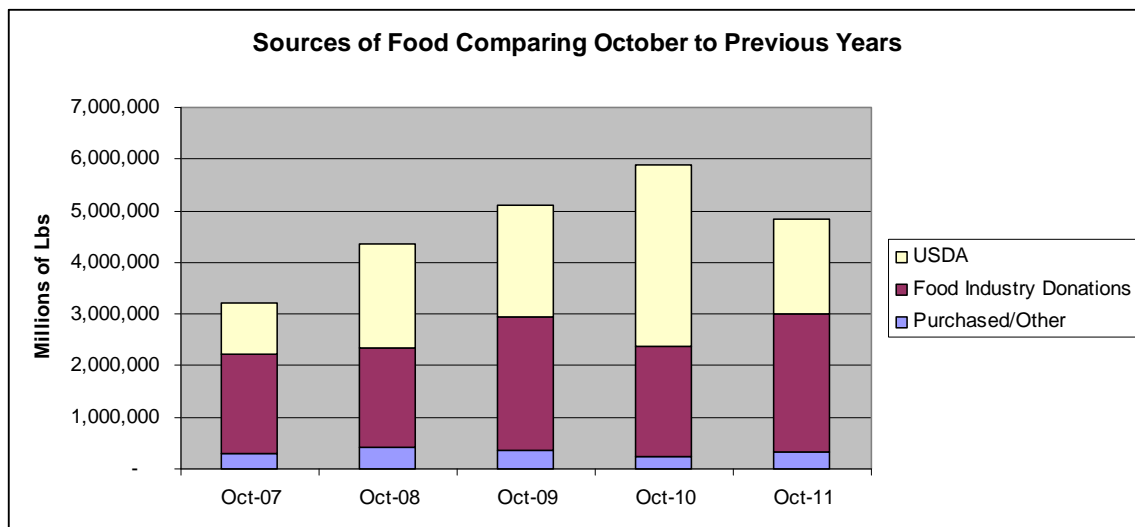


Los Angeles Regional Food Bank Policy Brief

Demand for Food Assistance Outstrips Food Bank Supply

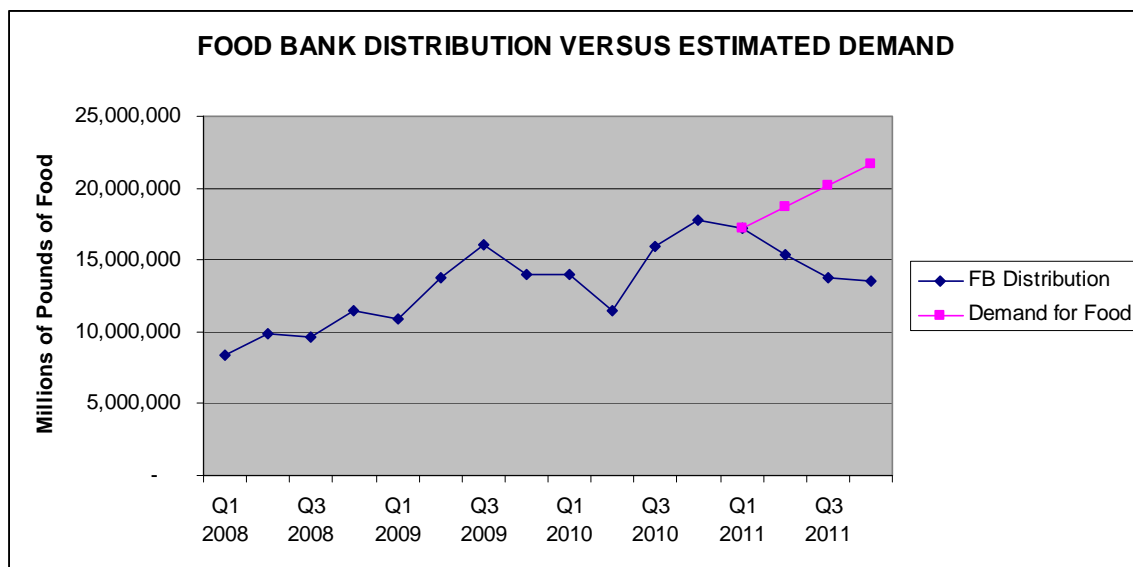
Since the beginning of the 2008 economic recession, the Los Angeles Regional Food Bank and the agencies served by the Food Bank have collectively been able to increase food volume in an attempt to meet the growing demand for food assistance. The Food Bank’s July 2011 *Policy Brief* outlined the increase in service by food pantries throughout Los Angeles County, from 190,000 people served monthly in 2008 to 330,000 people served monthly in 2011. The Food Bank’s food volume also increased by a similar amount – over 80 percent over a three-year period.

These trends have diverged during the past several months. While the demand for food assistance continues to increase due primarily to the high local unemployment and underemployment rate, the supply of food has tightened considerably. One important source of food, United States Department of Agriculture (USDA) commodities, has decreased in volume because the USDA has reduced “bonus” commodity purchases for The Emergency Food Assistance Program (TEFAP). When commodity prices increase, the USDA has less of a need to make commodity purchases in order to stabilize agricultural markets. The Food Bank’s primary source of food, donations from retailers, manufacturers, farmers and other food industry companies, has remained strong. However, the decrease in USDA commodities has led to a lower total incoming volume as the chart below details:



Los Angeles Regional Food Bank Policy Brief

While it is difficult to estimate the overall demand for food assistance, the recent decrease in food volume has forced many food pantries to shrink the size of food packages or turn more people away. After conducting a trend analysis, we estimate that if the Food Bank’s volume continued to grow by 1.5 million pounds each quarter starting with the second quarter of 2011, food pantries and other agencies served could have easily utilized this additional food to meet the growing demand. We calculate that a “food gap” has developed as the following chart details.



Other factors that lead us to believe that a growing food gap has developed include the total number of agencies seeking to provide food assistance and Food Bank inventory levels. In the summer of 2011, the number of charitable agencies served by the Food Bank reached a record 640 agencies. With food supplies tightening, the Food Bank decided for the first time in its history to institute a waiting list for prospective new agencies. Four months later, the waiting list has increased to more than 200 agencies. In other words, there are 200 additional agencies requesting assistance from the Food Bank; however, current inventory levels are insufficient to start serving these 200 agencies.

Food Bank inventory levels have decreased by 20 percent from 5.4 million pounds of food on-hand one year ago to 4.3 million pounds currently on-hand. More than 1 million pounds of food on-hand needs to be sorted or packaged before it is distributed because it consists of fresh produce, assorted food donations or food designated for a specific program. Consequently, the decrease in on-hand inventory caused by demand outstripping supply is a current trend that we are making projections for 2012 to determine the ongoing impact.

Los Angeles Regional Food Bank Policy Brief

The Importance of the CalFresh Program

Given that the Food Bank has a finite amount of food to distribute, the service provided by the CalFresh Program, formerly known as the Food Stamp Program, is a critical aspect of food assistance. The number of Los Angeles County residents receiving CalFresh benefits has increased markedly since the beginning of the recession. According to September 2011 data, 1.05 million Los Angeles County residents received CalFresh benefits, a 64 percent increase from December 2007 when the recession began.¹ For the month of September 2011, \$162 million of CalFresh benefits were received by Los Angeles County residents.² Due to the economic “multiplier” effect of these benefits, the \$162 million is calculated to have had a \$298 million impact on the local economy on a monthly basis.³ However, the State of California continues to have one of the lowest participation rates in the nation, so there continues to be a significant opportunity to reach more residents through the CalFresh Program.

Outlook for the Rest of 2011 and 2012

The holiday season is a time when both food and fund donations typically increase. Donations from the public to food banks and charitable agencies will make a significant difference during the next several weeks. The outlook for 2012 is a great concern given the combined effect of the high demand for food assistance and shrinking supplies due to the decrease in USDA commodities. The Food Bank will continue to appeal to public and private sources to increase support. In addition, the Food Bank’s CalFresh outreach efforts have been instrumental in linking families and individuals to these benefits. This is one of the most challenging times that the Food Bank and its affiliated agencies have faced. Even more important, these times are a huge challenge for the estimated 1.7 million residents of Los Angeles County who struggle to meet their food needs.

Policy Brief is a publication of the Los Angeles Regional Food Bank by Michael Flood, President/CEO, Jeff Dronkers, Chief Programs and Policy Officer, Elizabeth Cervantes, Agency Relations Director, and Jessica Jones, Policy and Outreach Manager

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¹ California Department of Social Services Food Stamp Report, <http://www.cdss.ca.gov/research/res/pdf/DFA256/2011/DFA256Sep11.pdf> and <http://www.cdss.ca.gov/research/res/pdf/DFA256/2007/DFA256Dec07.pdf> accessed Nov 20, 2011.

² *ibid*

³ The Food Stamp Program has a \$1.84 multiplier effect estimate. Hanson, K. and Golan, E., Effects of Changes in Food Stamp Expenditures Across the U.S. Economy. Food Assistance and Nutrition Research, Report Number 26-6. Economic Research Service. United States Department of Agriculture. August 2002.